

SECONDARY WATER METERING REQUIREMENTS

2019 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill addresses the metering of pressurized secondary water.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires a secondary water supplier to report certain information to the Division of Water Rights each year;
- ▶ requires a secondary water provider:
 - that begins providing new secondary water services to certain users on or after July 1, 2019, to meter the use of water;
 - to meter the use of all of the secondary water provider's commercial, industrial, institutional, and residential users by 2030;
 - to develop and submit to the Division of Water Rights a strategy for meeting the 2030 metering requirement; and
 - to provide educational material to certain users;
- ▶ authorizes the Division of Water Rights to make, in conjunction with the Division of Water Resources, rules regarding the requirements of and the procedure for submitting a required report or strategy;
- ▶ requires a secondary water supplier to finance at least 50% of the total cost to meet secondary water metering requirements through means other than those provided for in this bill;
- ▶ requires the Board of Water Resources to make \$10,000,000 in loans available each year for the financing of secondary water metering;
- ▶ authorizes the Board of Water Resources and the Division of Water Resources to make rules regarding loans for financing secondary water metering;
- ▶ creates the Secondary Water Metering Restricted Account (account);
- ▶ requires the Division of Water Resources to make grants from the account to assist

33 secondary water suppliers finance metering the use of secondary water; and
34 ▶ authorizes the Division of Water Resources to make rules for the administration of
35 the account.

36 **Money Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 None

40 **Utah Code Sections Affected:**

41 ENACTS:

42 **73-10-34**, Utah Code Annotated 1953

43 **73-10-35**, Utah Code Annotated 1953

44

45 *Be it enacted by the Legislature of the state of Utah:*

46 Section 1. Section **73-10-34** is enacted to read:

47 **73-10-34. Secondary water metering.**

48 (1) As used in this section:

49 (a) "Board" means the Board of Water Resources created in Section 73-10-1.5.

50 (b) (i) "Commercial user" means a secondary water user that is a place of business.

51 (ii) "Commercial user" does not include a multi-family residence, an agricultural user,
52 or a customer that falls within the industrial or institutional classification.

53 (c) "Connection" means a connection between a pressurized secondary water supply
54 system and a user.

55 (d) (i) "Industrial user" means a secondary water user that manufactures or produces
56 materials.

57 (ii) "Industrial user" includes a manufacturing plant, an oil and gas producer, and a
58 mining company.

59 (e) (i) "Institutional user" means a secondary water user that is dedicated to public
60 service, regardless of ownership.

61 (ii) "Institutional user" includes a school, church, hospital, park, golf course, and
62 government facility.

63 (f) (i) "Residential user" means a secondary water user in a residence.

(ii) "Residential user" includes a single-family or multi-family home, apartment, duplex, twin home, condominium, or planned community.

(g) "Secondary water" means water that is:

(i) not culinary or agricultural water; and

(ii) delivered to and used by an end consumer for the irrigation of landscaping or a garden.

(h) "Secondary water supplier" means an entity that supplies pressurized secondary water.

(2) A secondary water supplier that begins providing new service on or after July 1, 2019, to a commercial, industrial, institutional, or residential user shall meter the use of pressurized secondary water by the user receiving new service.

(3) (a) Each secondary water supplier that supplies pressurized secondary water to a commercial, industrial, institutional, or residential user shall meter the use of the pressurized secondary water by 2030.

(b) Each secondary water supplier shall finance at least 50% of the supplier's total cost to comply with this Subsection (3) without the use of:

(i) a loan described in Subsection (6); or

(ii) a grant described in Section 73-10-35.

(4) A secondary water supplier shall:

(a) on or before March 31 of each year, report to the Division of Water Rights:

(i) for commercial, industrial, institutional, and residential users whose pressurized secondary water use is metered, the number of acre feet of pressurized secondary water the secondary water supplier supplied to the commercial, industrial, institutional, and residential users during the preceding 12-month period;

(ii) the number of secondary water meters within the secondary water supplier's service boundary;

(iii) a description of the secondary water supplier's service boundary;

(iv) the number of connections in each of the following categories through which the secondary water supplier supplies pressurized secondary water:

(A) commercial;

(B) industrial;

95 (C) institutional; and

96 (D) residential;

97 (v) for each size of connection, the number of connections in that size through which
98 the secondary water supplier supplies pressurized secondary water; and

99 (vi) the dates of service during the preceding 12-month period in which the secondary
100 water supplier supplied pressurized secondary water;

101 (b) on or before March 31, 2020, develop and submit to the Division of Water Rights
102 the secondary water supplier's strategy to comply with the metering requirement described in
103 Subsection (3); and

104 (c) each month that the secondary water supplier provides service, provide each of the
105 secondary water supplier's metered commercial, industrial, institutional, and residential users
106 with educational material regarding the user's pressurized secondary water use that shall
107 include:

108 (i) the user's pressurized secondary water use in relation to others in the area; and

109 (ii) one or more suggestions for conserving pressurized secondary water use.

110 (5) The Division of Water Rights in conjunction with the Division of Water Resources
111 shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
112 Act, establishing:

113 (a) the requirements of and the procedure for submitting a report under Subsection
114 (4)(a); and

115 (b) the requirements of and the procedure for submitting a strategy under Subsection
116 (4)(b).

117 (6) (a) Beginning July 1, 2019, and ending June 30, 2030, the board shall make
118 \$10,000,000 in loans available each year:

119 (i) from the Water Conservation and Development Fund, created in Section 73-10-24;
120 and

121 (ii) for financing the remaining cost of secondary water metering as described in
122 Subsection (3).

123 (b) The Division of Water Resources shall ensure that:

124 (i) in accordance with Subsection (3), the total amount available to a secondary water
125 supplier through:

(A) a loan described in this Subsection (6) does not exceed 50% of the supplier's total cost to comply with Subsection (3);

(B) a grant described in Section 73-10-35 does not exceed 16.5% of the supplier's total cost to comply with Subsection (3); and

(C) a combination of a loan described in this Subsection (6) and a grant described in Section 73-10-35 does not exceed 50% of the supplier's total cost to comply with Subsection (3); and

(ii) for the purpose of determining the amount of a loan under this Subsection (6) or a grant described in Section 73-10-35, the calculation of a secondary water supplier's total cost to comply with Subsection (3) includes secondary water metering costs the secondary water supplier:

(A) incurs in or before May 2019; or

(B) finances through a loan, bond, grant, subsidy, program, or any other means not described in this Subsection (6) or Section 73-10-35.

(c) The Division of Water Resources and board shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act establishing the criteria and process for receiving a loan described in this Subsection (6).

(7) A commercial, industrial, institutional, or residential user may not use culinary water for the regular irrigation of landscaping or a garden, if:

(a) the user has a connection to secondary water;

(b) the user's area is served with both culinary and secondary water; and

(c) the user's secondary water rates exceed the user's culinary water rates.

Section 2. Section **73-10-35** is enacted to read:

73-10-35. Creation of Secondary Water Metering Restricted Account --

Awarding of grants from the restricted account.

(1) There is created with the General Fund a restricted account known as the Secondary Water Metering Restricted Account.

(2) The restricted account consists of:

(a) any voluntary contributions received;

(b) appropriations the Legislature makes to the restricted account; and

(c) interest accrued pursuant to Subsection (3)(b).

- 157 (3) The state treasurer shall:
158 (a) invest the money in the restricted account by following the procedures and
159 requirements of Title 51, Chapter 7, State Money Management Act; and
160 (b) deposit all interest or other earnings derived from those investments into the
161 restricted account.
- 162 (4) Upon appropriation from the Legislature, the Division of Water Resources shall
163 make grants from the Secondary Water Metering Restricted Account:
164 (a) to assist secondary water suppliers, as defined in Section 73-10-34, comply with
165 Subsection 73-10-34(3);
166 (b) beginning July 1, 2019, and ending June 30, 2030, in the total amount of up to
167 \$5,000,000 each year; and
168 (c) in accordance with Subsection 73-10-34(6)(b).
- 169 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
170 Division of Water Resources shall make rules establishing:
171 (a) criteria for awarding grants under this section; and
172 (b) criteria for determining eligibility for assistance under this section.